MONTANA LEGISLATIVE HISTORY

Chapter 31 1995

Bill H _____ S 46 Original bill & history ✓ C

H. Committee on Nat. Res.			S. Committee on Nat. Res.		
Hearing Date(s)	1/27	✓ C	Hearing Date(s)	1/9	✓ C
		C		1/13	✓ C
		C			C
		C			C
Date Out		C			

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

SENATE BILL NO. 46

INTRODUCED BY Swysgood

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING A PORTION OF THE METALLIFEROUS MINES LICENSE TAX TO BE DEPOSITED IN THE GROUND WATER ASSESSMENT ACCOUNT; AND AMENDING SECTIONS 15-37-117 AND 85-2-905, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-37-117, MCA, is amended to read:

"**15-37-117. Disposition of metalliferous mines license taxes.** (1) Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

(a) to the credit of the general fund of the state, 58% of total collections each year;

(b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, 1.5% of total collections each year;

(c) to the state resource indemnity trust fund, ~~15.5%~~ 13.3% of total collections each year;

(d) to the ground water assessment account established in 85-2-905, 2.2% of total collections each year;

~~(d)~~(e) to the county or counties identified as experiencing fiscal and economic impacts, resulting in increased employment or local government costs, under an impact plan for a large-scale mineral development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined in the plan, or, if an impact plan has not been prepared, to the county in which the mine is located, 25% of total collections each year, to be allocated by the county commissioners as follows:

(i) not less than 40% to the county hard-rock mine trust reserve account established in 7-6-2225; and

(ii) all money not allocated to the account pursuant to subsection ~~(1)(d)(i)~~ (1)(e)(i) to be further allocated as follows:

(A) 33 1/3% is allocated to the county for planning or economic development activities;

(B) 33 1/3% is allocated to the elementary school districts within the county that have been affected by the development or operation of the metal mine; and

(C) 33 1/3% is allocated to the high school districts within the county that have been affected by the development or operation of the metal mine.

(2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under subsection ~~(1)(d)~~ (1)(e) in a manner similar to that provided for property tax sharing under Title 90, chapter 6, part 4.

(3) The department shall return to the county in which metals are produced the tax collections allocated under subsection ~~(1)(d)~~ (1)(e). The allocation to the county described by subsection ~~(1)(d)~~ (1)(e) is a statutory appropriation pursuant to 17-7-502."

Section 2. Section 85-2-905, MCA, is amended to read:

"**85-2-905. Ground water assessment account.** (1) There is a ground water assessment account within the state special revenue fund established in 17-2-102. The Montana bureau of mines and geology is authorized to expend amounts from the account necessary to carry out the purposes of this part.

(2) The account may be used by the Montana bureau of mines and geology only to carry out the provisions of this part.

(3) Subject to the direction of the ground water assessment steering committee, the Montana bureau of mines and geology shall investigate opportunities for the participation and financial contribution of agencies of federal and local governments to accomplish the purposes of this part.

(4) There must be deposited in the account:

(a) ~~on July 1, 1993, and~~ at the beginning of each ~~succeeding~~ fiscal year, 14.1% of the proceeds from the resource indemnity and ground water assessment tax, as authorized by 15-38-106, and 2.2 % of the proceeds from the metalliferous mines license taxes, as authorized by 15-37-117, unless at the beginning of the fiscal year the unobligated cash balance in the ground water assessment account:

(i) equals or exceeds $666,000, in which case no allocation will be made and the funds must be deposited in the resource indemnity trust fund established by 15-38-201; or

(ii) is less than $666,000, in which case an amount equal to the difference between the unobligated cash balance and $666,000 must be allocated to the ground water assessment account and any remaining

amount must be deposited in the resource indemnity trust fund established by 15-38-201;

(b) funds provided by federal or state government agencies and by local governments to carry out the purposes of this part; and

(c) funds provided by any other public or private sector organization or person in the form of gifts, grants, or contracts specifically designated to carry out the purposes of this part."

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0046, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act allocating a portion of the metalliferous mines license tax to be deposited in the ground water assessment account.

ASSUMPTIONS: Total metalliferous mines license tax will be $5,631,000 in FY96 and $5,310,000 in FY 97 (ROC).

FISCAL IMPACT: Deposits to the Resource Indemnity Trust (RIT) fund will be reduced by $124,080 in FY96 and $117,000 in FY97. These funds will instead be deposited into the Ground Water Assessment Account for program funding. Because deposits to the RIT fund are reduced, interest earnings will also be reduced. The interest earnings reduction is estimated to be $3804 in FY96 and $10,999 in FY97. These interest earnings would have been distributed to four state special revenue accounts. These four state special revenue accounts are the Renewable Resource Grant and Loan Program Account (36%), the Reclamation and Development Account (40%), the Hazardous Waste/CERCLA Account (18%), and the Environmental Quality Protection Account (6%).

Expenditures: SB46 adds $241,000 in funding for the Ground Water Assessment Program for the 1997 biennium.

Revenues: SB46 has no affect on Metalliferous Mine Tax Collections. The proposal changes the allocation of the revenue. Because fewer dollars are deposited into the RIT fund, interest earnings will be lower.

Net Impact: The net impact of SB46 is to allow greater funding of the Ground Water Assessment Program with moderate impacts on the RIT trust balance and investment income.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION: Deposits to the RIT fund will be reduced. Article IX, Section 2 of the Montana constitution prohibits the expenditure of all deposits in the trust until the balance of the trust exceeds $100 million. Under current statute, it is anticipated that the RIT fund will reach a balance of $100 million during FY99. Passage of this act may delay reaching this balance by one year.

Dave Lewis 1-9-95

DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

CHUCK SWYSGOOD, PRIMARY SPONSOR DATE

SB 45 INTRODUCED BY BECK

CLARIFY TAX RATE THAT APPLIES TO OIL PRODUCTION FROM HORIZONTALLY COMPLETED WELLS

BY REQUEST OF THE DEPARTMENT OF REVENUE

12/29	INTRODUCED		
12/30	FISCAL NOTE REQUESTED		
1/03	FIRST READING		
1/03	REFERRED TO TAXATION		
1/05	FISCAL NOTE RECEIVED		
1/05	FISCAL NOTE PRINTED		
1/10	HEARING		
1/10	COMMITTEE REPORT—BILL PASSED		
1/11	2ND READING PASSED	49	0
1/12	3RD READING PASSED	48	0
	TRANSMITTED TO HOUSE		
1/13	FIRST READING		
1/13	REFERRED TO TAXATION		
1/20	HEARING		
1/27	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
1/28	2ND READING CONCURRED	88	6
1/30	3RD READING CONCURRED	92	8
	RETURNED TO SENATE WITH AMENDMENTS		
1/31	2ND READING AMENDMENTS CONCURRED	49	1
2/01	3RD READING AMENDMENTS CONCURRED	50	0
2/03	SIGNED BY PRESIDENT		
2/04	SIGNED BY SPEAKER		
2/06	TRANSMITTED TO GOVERNOR		
2/07	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 33		
	EFFECTIVE DATE: 02/07/95		

SB 46 INTRODUCED BY SWYSGOOD

ALLOCATE PORTION OF METALLIFEROUS MINES LICENSE TAX TO BE DEPOSITED IN GROUND WATER ASSESSMENT ACCOUNT

1/04	INTRODUCED		
1/04	FIRST READING		
1/04	REFERRED TO NATURAL RESOURCES		
1/04	FISCAL NOTE REQUESTED		
1/09	HEARING		
1/09	FISCAL NOTE RECEIVED		
1/09	FISCAL NOTE PRINTED		
1/17	COMMITTEE REPORT—BILL PASSED AS AMENDED		
1/18	2ND READING PASSED	48	0
1/19	3RD READING PASSED	48	0
	TRANSMITTED TO HOUSE		
1/20	FIRST READING		
1/20	REFERRED TO NATURAL RESOURCES		
1/27	HEARING		
1/30	COMMITTEE REPORT—BILL CONCURRED		
1/31	2ND READING CONCURRED	91	7
2/01	3RD READING CONCURRED	89	10
	RETURNED TO SENATE		
2/02	SIGNED BY PRESIDENT		
2/02	SIGNED BY SPEAKER		
2/03	TRANSMITTED TO GOVERNOR		
2/06	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 31		

SENATE NATURAL RESOURCES

- BILL NO - REFERRED - HEARING - OTHER CONSIDERATION DATES - EXECUTIVE ACTION/DATE/VOTE ------- REREFERRED ---- DATE READ

HJ0025	QUILICI, JOE		SUPPORT TECHNOLOGY FOR MINE WASTE IN BUTTE				
	2/21	3/10		CONCUR	VOTE:		3/13
HJ0026	CURTISS, AUBYN		RESOLUTION OPPOSING CLOSURE OF MISSOULA REGIONAL FOREST SERVICE OFFICE				
	2/27	3/10		CONCUR	VOTE:		3/21
SB0046	SWYSGOOD, CHUCK		GROUND WATER ASSESSMENT AND MONITORING PROGRAM FUNDING				
	1/04	1/09		PASS AS AMENDED	VOTE:		1/17
SB0048	KEATING, TOM		AN ACT AMENDING CERTAIN PROVISIONS OF THE MONTANA CLEAN AIR ACT				
	1/03	1/09		PASS AS AMENDED	VOTE:		1/24
SB0071	STANG, BARRY		REVISING THE PETROLEUM TANK RELEASE CLEAN UP LAWS				
	1/09	1/13		DO PASS	VOTE:		1/17
SB0078	GROSFIELD, LORENTS		WATER QUALITY PERMIT ENFORCEMENT, FEE, AND BONDING REVISIONS				
	1/09	1/16		PASS AS AMENDED	VOTE:		2/02
SB0128	JERGESON, GREG		SURCHARGE ON CERTAIN RESIDENTIAL IMPROVED LAND TO DEFRAY FIRE SUPPRESSION $$				
	1/13	1/18		PASS AS AMENDED	VOTE:		2/02
SB0137	BROOKE, VIVIAN		REVISING THE COMPREHENSIVE ENVIRONMENTAL CLEANUP AND RESPONSIBLITY ACT				
	1/14	2/10		TABLED ON 02/10	VOTE:		
SB0145	KEATING, TOM		RETURN PUBLIC DOMAIN TO STATE -- MT LAND REFORMATION ACT				
	1/16	2/06		DO PASS	VOTE:		2/11
SB0147	HERTEL, JOHN		STATE WATER PROJECT LAW REVISIONS				
	1/16	1/25		PASS AS AMENDED	VOTE:		2/10
SB0153	BROOKE, VIVIAN		CONFORM TO SAFE DRINKING WATER ACT; CREATE WELLHEAD PROTECTION PROGRAM				
	1/16	1/23		PASS AS AMENDED	VOTE:		2/02
SB0186	BECK, TOM		DSL ABANDONED MINE RECLAMATION AUTHORITY				
	1/18	1/25		DO PASS	VOTE:		2/02

MINUTES

MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON NATURAL RESOURCES

Call to Order: By **CHAIRMAN LORENTS GROSFIELD**, on January 9, 1995, at 1:00 PM

ROLL CALL

Members Present:

Sen. Lorents Grosfield, Chairman (R)
Sen. Larry J. Tveit, Vice Chairman (R)
Sen. Mack Cole (R)
Sen. William S. Crismore (R)
Sen. Mike Foster (R)
Sen. Thomas F. Keating (R)
Sen. Ken Miller (R)
Sen. Vivian M. Brooke (D)
Sen. B.F. "Chris" Christiaens (D)
Sen. Jeff Weldon (D)

Members Excused: SEN. WILSON

Members Absent:

Staff Present: Todd Everts, Environmental Quality Council
Theda Rossberg, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB 46, SB 48
Executive Action: SJR 2

{Tape: 1; Side: A}

HEARING ON SB 48

Opening Statement by Sponsor:

SENATOR TOM KEATING, SENATE DISTRICT NO. 5 from Billings, said the Legislative Auditor does financial and performance audits for

ever refused any information in the absence of this language in the department's inspection. **Mr. Chaffee** replied he didn't believe so.

CHAIRMAN GROSFIELD said each reference refers to Chapter 2, "anything kept by virtue of Chapter 2 or rule order permit issued under this Chapter..." He said it doesn't mention any financial records or permit records.

CHAIRMAN GROSFIELD asked **Mr. Chaffee** if it was his intention to issue as many 30 day extensions as were appropriate. **Mr. Chaffee** replied if the permit applicant asks for more time, SB 48 would allow the extension. **CHAIRMAN GROSFIELD** said Page 3, Line 4 states: "An additional 30-day extension may be granted by the department on request of the applicant." He said on Page 4, Section 3, it states. "both civil and criminal penalties." He said the department needs that authority because the EPA also has that authority. He asked if both the EPA and the department had ever filed civil and criminal penalties against a company. **Mr. Chaffee** replied it is a primacy issue under Title V, and in some instances it may be necessary to file both criminal and civil cases.

CHAIRMAN GROSFIELD asked if EPA had already approved the primacy. **Mr. Chaffee** replied it was submitted to EPA about a year ago and expect approval by April 6 of this year.

SEN. KEATING stated to be served with a criminal penalty you have to knowingly and willfully violate the law. To prove that person knowingly caused that exceedence is much more difficult to prove and criminal penalty can only be assessed on that basis. He said criminal penalty is only for the bad guys.

Closing by Sponsor:

SEN. KEATING said he would appreciate DO PASS on SB 48.

{Tape: 1; Side: B}

HEARING ON SB 46

Opening Statement by Sponsor:

SEN. CHUCK SWYSGOOD, Senate District 17, Madison, Gallatin, and Silver Bow Counties, stated SB 46 is before the committee members to correct an oversight in SB 94 of the 1991 Legislative Session that established the funding for the Ground Water Assessment Program for the Bureau of Mines. That bill addressed increased fees for the Ground Water Assessment Tax fund. He stated there were two sections of the statute that relate to that assessment.

The statute that was in the Department of Revenue (DOR) was not corrected and therefore part of the funds going into the Ground Water Assessment Program were not available. The DOR couldn't violate the law, so the funds were not available, and resulted in the termination of a number of employees. That situation was brought before the Revenue Oversite Committee, the Legislative Finance Committee, EQC, and the Water Policy Committee. In the interim, a funding mechanism was put in place to get them through that oversite.

Proponents' Testimony:

Jim Stimpson, Chairman Montana Ground Water Assessment Steering Committee, oversees the two programs of the Montana Bureau of Mines that is under discussion. He said the Montana Ground Water Assessment Act was passed in 1991 and the Metal Mines tax was part of that funding structure. The error was discovered late in April of 1993. At that time it was clear that there would be funding shortages and indeed, an error in the original bill.

Mr. Stimpson stated the Montana Ground Water Assessment Act establishes the Bureau of Mines and Geology to monitor ground water for the long term. He stated, there are approximately 730 wells to be monitored quarterly that will be a long term function. The state is divided into approximately twenty basins and classic groundwater studies are carried out in those basins to determine where the groundwater resources are and which aquifers are contributing, and if there are any other aquifers that could contribute. He informed the committee members that this was the first program of its kind. As an example, North Dakota started their program in 1955, completed it and started over again.

Mr. Stimpson said the problem with the Metal Mines tax has contributed to a very serious financial crisis for the programs and were basically shut down throughout the summer. He asked the committee members to consider passage of SB 46 as soon as possible to correct the funding shortage.

SEN. BECK, HOUSE DISTRICT 28, informed the committee members that he carried SB 95 in the 1993 Legislative Session. He said they were trying to divert some of the funds before they went into the Resource Indemnity Trust fund which would have extended the target of $100 million in the trust fund that was coming from the metal mines tax. However, there was a code that said all the funds had to go into the RIT fund. The true intent of this bill is exactly the same as it was last time. **SEN. BECK** stated moratoriums were being put on surface water, and SB 46 would also monitor the ground water situation for pollutants. It is a hundred times more expensive to clean up ground water than surface water. He said he would appreciate passage of the bill as quickly as possible to correct the funding as originally intended.

Mike Murphy, Executive Director, Montana Water Resources Association, stated he would like to go on record in support of SB 46.

Mark Simonich, Director, National Resources and Conservation, stated he was here on behalf of Governor Racicot to support SB 46. He said the oversight that created this diversion was discovered last year and the Governor's office was trying to fix that problem in the immediate short term. In concurrence with the Water Policy Committee, the Revenue Oversite Committee, and the Legislative Finance Committee, Governor Racicot tapped into the Environmental Contingency Account to fund this program through the fiscal year, with the idea he was not going to continue to do that.

Mr. Simonich informed the committee members that there were some amendments to the proposed legislation to fix a second oversite. HB 608 that was passed during the 1993 Legislative Session that dealt with the Resource Indemnity Trust, was also a diversion of proceeds into the trust. They were trying to fund some agency budgets and move the Grant and Loan Program higher up on the list of priorities. **EXHIBIT 2** contains the flow chart of the RIT Trust. **Mr. Simonich** said before HB 608, agency budgets were funded with the interest from the RIT Trust, and any funds left over went into the Grant and Loan Programs which was then the Water Development Grant Program, Renewable Resource Grant and Loan Program, and the Reclamation Development Grant Program. As the agency became more and more dependent on RIT money, less money was going into the grant & loan program.
The flow chart **(EXHIBIT 2)** showing 10% on the left and 30% on the right are the percentages that fund those agencies.

Mr. Simonich stated that HB 608 was drafted to follow identically what was done with the water characterization. The metal mines tax was not tapped for a diversion of funds the same was the Ground Water Characterization was done. He said it was suspected there would be a shortfall in RIT money this coming biennium because of the projections of revenue. The proceeds and interest from the trust what the agency budgets would be projected for the grant and loan programs. At that time it appeared that the RIT fund was going to have a deficit of $5.7 million. The Governor the Governor's staff, the budget office and my staff budget to find ways to solve the problem. The Governor selected an approach that took 3 steps: 1. $1 million in cuts from agency budgets, most of which came from the state water projects. Those were Battle Creek Reservoirs and Ruby Creek Reservoirs that are unsafe dams and had planned to do feasibility studies on. That makes up about $950,000 in agency budgets. 2. General Fund replacement, one of the reasons agency budgets continue to be funded more on RIT money and less was available for grants because in previous bienniums whenever there was a budget crunch, can we use RIT in order to cut the general fund. The Governor was willing to come in with part of his budget that he proposed and back fill these agency budgets with $3.6 million of General

Fund. Those funds would have been utilized out of the RIT interest proceeds. That takes us up to about $4.6 million of the $5.7 million deficit. Approximately $950,000 - $960,000 was to fix the oversite with this legislation. The Governor offers these amendments to this bill. **EXHIBIT 3.**

Opponents' Testimony: None

Questions From Committee Members and Responses:

SEN. KEATING said **SEN. BECK** commented that the purpose of the Ground Water Assessment coming out of the tax was to prolong the contribution to the trust that was increasing taxes on the oil, gas and coal people because the tax was diverted before it got into the trust fund. The purpose of the tax is to fund the trust. He said the whole constitutional thrust is to have a $1 million trust that would be funded from Statutory taxes on the value of extracted material. Now they begin to tap the tax for the ground water rather than allowing the trust to achieve its $100 million goal. When the tax is tapped for the ground water it does not allow the trust to reach the $100 million goal. **SEN. KEATING** asked why the department couldn't be satisfied with using a part of the approximate $16 million of interest income for the Ground Water Assessment rather than taking taxes from oil, gas, coal companies, and the royalty owners.

Mr. Simonich answered that DNRC did not make the decision on how to fund the Ground Water Assessment, and didn't think anyone would be adverse to funding that program from the interest proceeds. He said there are so many programs the trust won't fund all of them. Once the funds are deposited in the RIT account they cannot be taken out. Therefore, those funds were diverted before being deposited into the trust. Because of that diversion, it will take longer for the trust to reach the $100 million cap, but any amount above the $100 million in the trust could be used.

SEN. KEATING said the Ground Water Assessment Program monitors water quality across the state for the benefit of all the citizens. He said water is very important to agriculture, irrigators, wild life and cities and towns. The Ground Water Assessment program has a legitimate government value to it. The Renewable Resource Grants that uses taxpayer's money for their private property on an individual basis, does not go to the general public. **SEN. KEATING** said the Ground Water Assessment program should have priority in the order of use of interest income proceeds and move the Renewable Grants farther down the list. **Mr. Simonich** stated that was a possibility, but was at the discretion of the Legislature. Those other programs came for funding previous to the Ground Water Assessment request. He said The Ground Water Assessment Program is a critical program

statewide, and that we understand the ground water resources we have in the state both in quantity and quality.

SEN. TVEIT said in the 4th amendment, striking 13.3% and inserting 7.2% **(EXHIBIT 3)** is about 6% decrease to the RIT fund. He asked if the development grants were increased by 4.6%. **Mr. Simonich** replied currently the funds are flowing into the trust and the interest income is flowing into those other programs.

Some of the metal mines funds will also be diverted from the trust.

SEN. TVEIT asked if the 4.6% was new language in amendment 5. **Mr. Simonich** replied that was correct.

{Tape: 2; Side: A;}

John Tubbs, Department of Natural Resources and Conservation responded that the RIT proceeds are as follows: 10% Renewal Resource Program, 30% Reclamation and Development Grants, and 14.1% the Ground Water Assessment program. 15.5% is currently deposited into the trust. He said 1.5% is deposited into the Renewal Resource account and 4.6% is deposited into the Reclamation and Development account. The said the grants are funded from interest earnings and are deposited into the State Special Revenue account.

SEN. FOSTER asked **Mr. Simonich** if he would make up a graph with the series of amendments as proposed by the Governor. **Mr. Simonich** responded he would provide that information to the committee members.

SEN. FOSTER asked **SEN. SWYSGOOD** if he would share his opinion of the amendments proposed by the Governor. **SEN. SWYSGOOD** replied that he had discussed the issue with the department, and was hesitant to incorporate their particular situation into the bill, because of the disbursement of RIT funds. He said during the interim when the problem surfaced, only the Bureau of Mines as related to the Ground Water Assessment Program and the funding for that program, came up before the interim committees. I don't recall that the department ever brought up the subject of that situation. **SEN SWYSGOOD** said he was apprehensive with the amendments because his obligation was to the Ground Water Assessment program and seeing that the funding continued. He said he was not comfortable taking on something he had not addressed previously.

SEN. CHRISTIAENS inquired of **Mr. Simonich** if the current amount of the trust was $91 million. **Mr. Simonich** stated that is the correct amount.

SEN. CHRISTIAENS asked if the funds continued to be diverted at this rate it would mean another year and a half before the RIT capped at $100 million. **Mr. Simonich** answered that based upon revenue proceeds to the trust the projected time frame for reaching the $100 million would be approximately 1999. With the proposed Governor's amendments it could possibly be extended to 2001.

SEN. BROOKE asked **Mr. Simonich** if he thought the proposed amendments were expanding SB 46 beyond the original intent. She said the bill was introduced to resolve a specific problem and the proposed amendments seem to expand the bill into other complex problems. She stated that under the guidelines of the rules a bill was not to be extended with an amendment beyond the original intent. **Mr. Simonich** replied the approach that was taken was the same as **SEN. SWYSGOOD's** in the Ground Water Assessment Program. He said the results would be the same as the original Senate Bill that was passed.

SEN. BROOKE asked **Mr. Simonich** if the Environment Contingency Fund that was used to resolve some of the Ground Water Assessment Program's problems was typical when a program needed funds. **Mr. Simonich** said the Environment Contingency Fund is used for example, a year ago the city of Gardner's sewage pipe line broke that crosses the Yellowstone River and affluent was being pumped into the river, so that fund was used for that kind of a problem.

SEN. COLE asked **Mr. Simonich** the effect of not having the metal mines funds available and when the water basins study would be completed.

Mr. Simonich said in a routine year the 15% tax on metal mine generates between $120,000 to $130,000 annually and the Ground Water Assessment Program operates on $666,000 allocation annually. He said in 1989, SJR 22 instructed the Environmental Quality Council to see if a ground water program could be established for the state. A task force was formed that studied the problem for over a year and made recommendations that became part of the Ground Water Assessment Act. Because of that task force, the Bureau of Mines was designed to operate on a $666,000 annual budget. Anticipating the $666,000, it was estimated to take about twenty to twenty two years to complete the basin studies. However, because the Metal Mines Tax did not contribute the revenue was not generated. **Mr. Simonich** said because if an estimated 15% budget decrease in income to the programs, he could not estimate how much more time it would take to complete the basin studies.

CHAIRMAN GROSFIELD asked **Mr. Tubbs** if the problem was taking the 14.1 million out of one account and not the other account. **Mr. Tubbs** replied that was correct.

CHAIRMAN GROSFIELD asked **SEN. SWYSGOOD** if the effective date of October 1, 1995 would be soon enough, since the bill didn't state

a specific effective date. **SEN. SWYSGOOD** said October 1, 1995 was not soon enough and he would address the committee members on that.

CHAIRMAN GROSFIELD stated he asked **SEN. SWYSGOOD** if he preferred not to accept the amendment at this time. **SEN. SWYSGOOD** replied that was his intention. **SEN. GROSFIELD** asked **Mr. Simonich** if the committee members chose not to accept the amendment, if he would look for another sponsor. **Mr. Simonich** said that is correct.

CHAIRMAN GROSFIELD remarked that the Ground Water Assessment Program was very important. That program was hit very hard in the last session. It was discussed in EQC and the Policy Committee, and they sent a resolution to the Senate Finance Committee. He told **Mr. Simonich** that perhaps they should find another bill draft.

Closing by Sponsor:

SEN. SWYSGOOD told the committee members he appreciated the consideration on SB 46 and informed DNRC that he would not support their proposed amendments. SB 46 was very specific and was addressed by numerous interim committees and this bill was recommended. He asked the committee to provide an effective date to SB 46 upon approval and passage of the bill.

EXECUTIVE ACTION ON SJR 2

Motion: **SEN. BROOKE MOVED SJR 2 DO PASS.**

Discussion: **SEN. KEATING** said Page 3, Line 6 ...form of funding or in-kind services, that the Legislature remain open to those contingencies. He said he was reluctant to use state funds for the museum. The Museum of the Rockies cost the state a lot of money. He presented an amendment to SJR 2, **EXHIBIT 4.** He said he didn't want to give the illusion that this legislative body or any other legislative body would be thinking of funding this program.

Motion: **SEN. KEATING MOVED THE ADOPTION OF THE AMENDMENT AS CONTAINED IN EXHIBIT 4.**

{Tape: 2; Side: B;}

Discussion: **SEN. FOSTER** informed the committee members that he had a similar amendment to be considered. **EXHIBIT 5.** He said if the elimination of "funding or" would take care of it he would

MONTANA SENATE
1995 LEGISLATURE
NATURAL RESOURCES COMMITTEE

ROLL CALL DATE 1-9-95

SEN

NAME	PRESENT	ABSENT	EXCUSED
VIVIAN BROOKE	✓		
B.F. "CHRIS" CHRISTIAENS	✓		
MACK COLE	✓		
WILLIAM CRISMORE	✓		
MIKE FOSTER	✓		
TOM KEATING	✓		
KEN MILLER	✓		
JEFF WELDON	✓		
BILL WILSON			✓
LARRY TVEIT, VICE CHAIRMAN	✓		
LORENTS GROSFIELD, CHAIRMAN	✓		

SEN:1995
wp.rollcall.man
CS-09

2

RIGWA TAX

RIT TRUST

Flow of Funds for the RIGWAT and RIT Trust Interest Earnings FY 96-97

Source: Department of Natural Resources and Conservation
Phone #444-6667

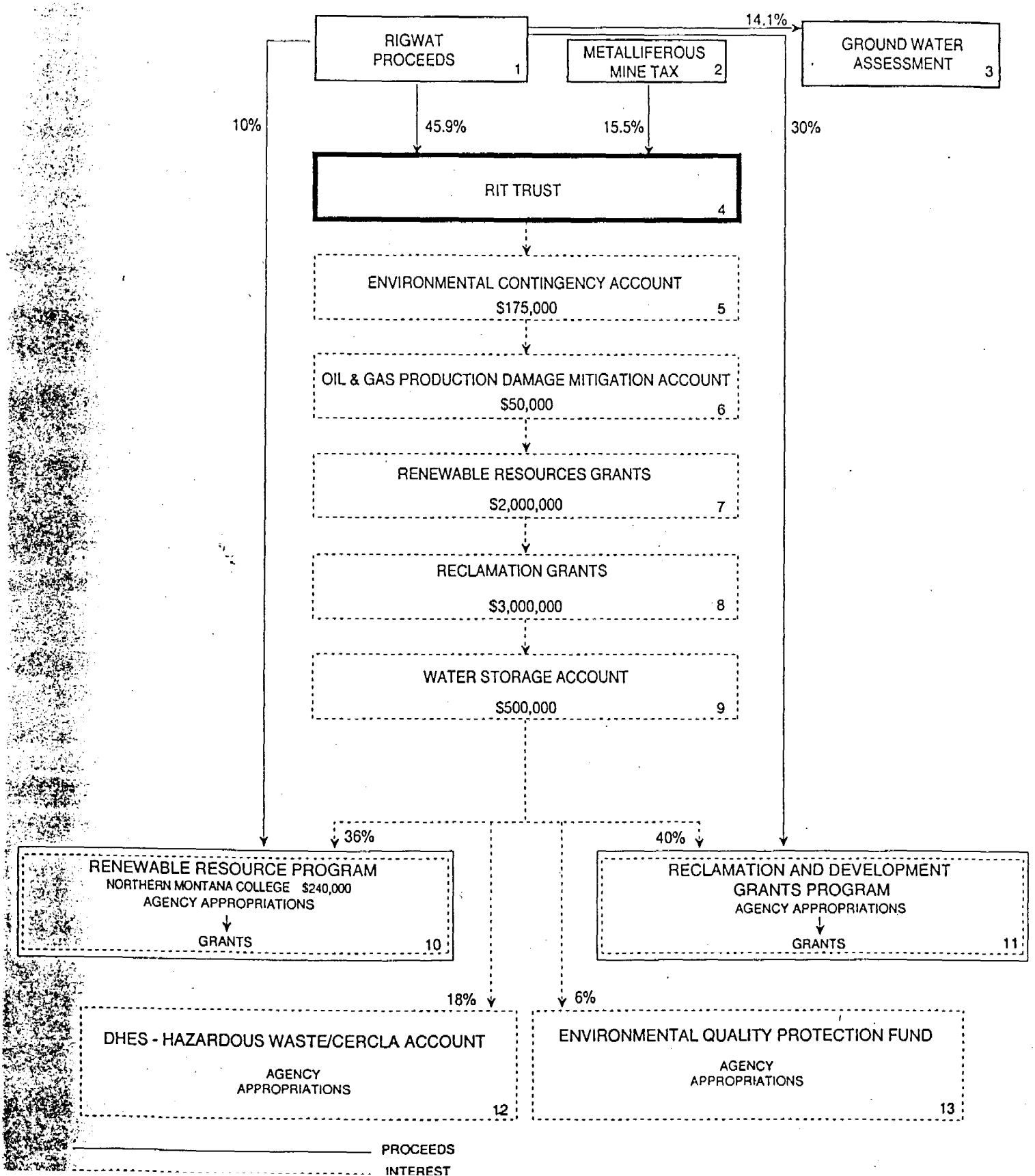
Ray Beck, Administrator
Anna Miller, Financial Advisor
John Tubbs, Bureau Chief

SENATE NATURAL RESOURCES
EXHIBIT NO 2
DATE 1-9-95
BILL NO SB 46

SENATE NATURAL RESOURCE
EXHIBIT NO. 2
DATE 1-9-95
BILL NO. SB 46

ALLOCATION OF RIT PROCEEDS AND INTEREST

1997 Biennium



SENATE NATURAL RESOURCES
EXHIBIT NO 2
DATE 1-9-95
BILL NO SB-46

1 The Resource Indemnity Ground Water Assessment Tax (RIGWAT) is a 0.5 percent tax of the gross value of the product of all mineral mining. The tax was originally created in 1973. Mineral production including oil, natural gas, coal, metals (gold, silver, copper, lead), talc, vermiculite, limestone and other "nonrenewable merchantable products extracted from the surface or subsurface of the state of Montana (15-38-103) are taxed. The purpose of the tax is to "protect and restore the environment from damages resulting from mineral development; to support a variety of development programs that benefit the economy of the state and the lives of Montana Citizens; and to assess the state's ground water resources." (15-38-102, MCA)

2 The Metalliferous Mine Tax is a tax on "annual gross value of product" of all metal mine production or precious or semiprecious gem or stone production (15-37-101 et. seq.). The tax rate is 1.81 percent of the annual gross value over $250,000 for concentrate shipped to a smelter, mill, or reduction work (15-37-103, MCA). For gold silver or any platinum-group metal that is dore, bullion, or matte and that is shipped to a refinery, the tax rate is 1.6 percent of the annual gross value over $250,000 (15-37-103, MCA). A 15.5 percent portion of the metalliferous mine tax is deposited into the RIT trust. The remaining 84.5 percent is distributed to several areas including the general fund, a hard-rock mining impact trust, and impacted counties.

3 The Ground Water Assessment Account was created in 1991 (85-2-901 et. seq., MCA). The purpose of the account is to fund a statewide ground water assessment program that will monitor quantity and quality of the state's ground water. The statute allocates 14.1 percent or a maximum of $666,000 per year of the RIGWAT proceeds to this account. The program is staffed by the Bureau of Mines and Geology in Butte. An oversight committee reviews all expenditures, approves monitoring sites, prioritizes areas, coordinates information, and evaluates reports.

4 The Resource Indemnity Tax trust was created in 1973. RIGWAT (45.9%) and Metalliferous Mine Tax (15.5%) proceeds are deposited into the trust. Prior to 1991, 100 percent of the RIGWAT proceeds were deposited into the trust. No funds that are deposited into the trust can be spent until the total deposits exceed $100 million. This protection is provided in Article IX, Section 2 of the Montana constitution. Trust fund proceeds are invested and the interest earnings are distributed to several natural resource programs.

5 The Environmental Contingency Account was created in 1985 (75-1-1101 et. seq., MCA). The Governor has the authority to approve expenditures from this account to meet unanticipated public needs. Specifically, the statute limits projects to the following objectives: (a) to support renewable resource

development projects in communities that face an emergency or imminent need for the services or to prevent the failure of a project; (b) to preserve vegetation, water, soil, fish, wildlife, or other renewable resources from an imminent physical threat or during an emergency, not including natural disasters or fire; to respond to an emergency or imminent threat to persons, property, or the environment caused by mineral development; and to fund the environmental quality protection fund. Each biennium $175,000 of the RIT trust interest earnings are allocated to this account. The balance in this account cannot exceed $750,000.

6 The Oil and Gas Production Damage Mitigation Account was created in 1989 (85-2-161, MCA). The Board of Oil and Gas Conservation may authorize the payment for the cost of properly plugging a well and either reclaiming and/or restoring a drill site or other drilling or producing areas damaged by oil and gas operations. The site must be abandoned and the responsible person either cannot be identified or refuses to correct the problem. Each biennium $50,000 of the RIT trust interest earnings are allocated to this account. The balance in this account cannot exceed $200,000.

7 Renewable Resource Grants receive $2 million in RIT trust interest earnings. The Renewable Resource Grant and Loan program was created in 1993 by combining the Renewable Resource Development program and the Water Development program. The Renewable Resource Development program was originally established in 1975. The Water Development program was originally established in 1981. The purpose of the grant program is to fund projects that conserve, develop, manage, and preserve water and other renewable resources. The program provides preference to projects that support the state water plan. Projects include construction and rehabilitation of existing water supply systems and waste water systems, educational efforts, feasibility studies, development of water storage, enhancement of renewable resources including recreation, reduction and advancement of agricultural chemical use, and improvement of water use efficiency (85-1-602, MCA).

8 The Reclamation Development Grants Program was originally established in 1987. The purposes of the program are to: (a) repair, reclaim, and mitigate environmental damage to public resources from nonrenewable resource extraction; and (b) to develop and ensure the quality of public resources for the benefit of all Montanans (90-2-1101, MCA). Projects have ranged from plugging abandoned oil and gas wells, reclaiming mine sites, non-point source pollution control projects, researching new technologies for mine waste clean-up, conducting ground water studies to determine the extent of contamination, and cleaning up pesticide contamination. A minimum of $3 million of RIT trust interest earnings are allocated for these grants.

EXHIBIT NO. _____
DATE 1-9-95
BILL NO. SB-46

9 The Water Storage Account was established in 1991 (85-1-701 et. seq., MCA). The purpose of the account is to provide funding for projects that rehabilitate existing water storage facilities or develop new ones. Priority is given to high hazard, unsafe dams. Each biennium $500,000 of RIT trust interest earnings are deposited into this account. Currently, the only project to receive water storage account funding is the rehabilitation of the state owned dam on the Tongue River in eastern Montana.

10 The Renewable Resource grant and loan Program state special revenue account receives 36 percent of the remaining interest earnings from the RIT trust and 10 percent of the RIGWAT proceeds. This special revenue account also receives revenue from state water projects, excess deposits in the renewable resource debt service account, and other administrative fees. The revenues are used to fund natural resource agency projects and administration including DNRC, Governor's Office, Water Court and the State Library.

11 The Reclamation and Development Grant Program state special revenue account receives 40 percent of the remaining RIT trust interest earnings and 30 percent of the RIGWAT proceeds. The revenues are used to fund natural resource agency projects and administration including DNRC, DSL, State Library, and EQC.

12 The Hazardous Waste CERCLA Account is administered by the Department of Health and Environmental Sciences. (CERCLA stands for the federal Comprehensive Environmental Response, Compensation, and Liability Act). This account receives 18 percent of the remaining RIT trust interest earnings. The account was established in 1983 and is to be used to make payments on CERCLA bonds, implementation of the Montana Hazardous Waste Act, and to provide assistance in remedial action under CERCLA.

13 The Environmental Quality Protection Fund was established in 1985 and is administered by the Department of Health and Environmental Sciences. This account receives 6 percent of the remaining RIT trust interest earnings. The purpose of this account is to provide funding for remedial actions taken by the department in response to a release of hazardous or deleterious substances.

SENATE NATURAL RESOURCES
EXHIBIT NO. 2
DATE 1-9-95
BILL NO. SB-46

RIGWAT PROCEEDS, RIT TRUST INTEREST EARNINGS, AND EXPENDITURES
1997 Biennium

RIGWAT PROCEEDS PROJECTIONS	RIGWAT Proceeds	Metal Mine Tax Proceeds	Deposits To RIT Trust	Trust Balance
FY 95	$2,979,674	$797,469	$2,463,107	$91,776,719
FY 96	3,041,004	872,800	2,268,621	94,045,340
FY 97	3,030,203	823,029	2,213,892	96,259,232

RIT TRUST INTEREST EARNINGS PROJECTIONS	FY96	FY97	TOTAL
	7,703,657	7,763,086	15,466,743

TOTAL 1995 BIENNIUM ALLOCATION OF RIT INTEREST EARNINGS		$15,466,743
Environmental Contingency Account	$175,000	
Oil & Gas Production Damage Mitigation Account	50,000	
Renewable Resource Grant & Loan Program	2,000,000	
Reclamation & Development Grants	3,000,000	
Water Storage Account	500,000	
TOTAL BIENNIAL APPROPRIATIONS		5,725,000
AMOUNT AVAILABLE FOR FURTHER DISTRIBUTION		9,741,743

Distribution of Remaining Interest Earnings

Account	Renewable Resource	Reclamation & Development	Hazardous Waste/ CERCLA	Environmental Quality Protection	TOTAL
Percent Distribution of RITT Interest	36%	40%	18%	6%	100%
Beginning Balance	$572,226	$212,524	$968,414	$841,669	$2,594,833
Revenues:					
RIT Interest	$3,507,027	$3,896,697	$1,753,514	$584,505	$9,741,743
RIGWAT Proceeds	607,121	1,821,362			$2,428,483
Debt Service Sweep (04011 and 04008)	919,444				919,444
RRD Loan Repayments	238,900				238,900
Interest (STIP)			120,000	120,000	240,000
Cost Recoveries			514,000	1,237,000	1,751,000
Administrative Fees	10,000				10,000
State Owned Project Revenue	459,290				459,290
Total Funds Available	$6,314,008	$5,930,583	$3,355,928	$2,783,174	$18,383,693
Appropriation					
Montana State University, Havre	240,000				240,000
DNRC Centralized Services Division	875,245	154,001			1,029,247
DNRC Conservation and Resource Development	649,931	1,185,566			1,835,497
DNRC Water Resources Division	1,737,971	2,051,709			3,789,680
Reserved Water Rights Compact Commission	131,638	534,516			666,154
DNRC State Water Projects	1,690,000				1,690,000
DSL Reclamation Division		2,082,177			2,082,177
DSL Central Management		78,085			78,085
DHES Environmental Division			3,415,016	2,802,350	6,217,366
DHES Radon		50,000			50,000
Governor's Office -- Flathead Basin Commission	80,082				80,082
Water Court	1,024,296				1,024,296
State Library	322,007	285,036			607,043
Environmental Quality Council		28,083			28,083
Pay Plan					0
Total Appropriations	$6,751,170	$6,449,174	$3,415,016	$2,802,350	$19,417,710
Projected Biennium Ending Balance	($437,162)	($518,590)	($59,088)	($19,176)	
Potential Allocation of Metal Mines Tax	$169,583	$508,749			
Projected Balance with Allocation of Metal Mine Tax	($267,579)	($9,842)	($59,088)	($19,176)	

Source: LFA Report to Legislature; Corrected 1/7/95

01/08/95

3

SENATE NATURAL RESOURCES
EXHIBIT NO. 3
DATE 1-9-95
BILL NO. SB-46

AMENDMENTS TO SB 46
BY REQUEST OF THE GOVERNOR'S OFFICE

1. Title, line 4
Following: "ALLOCATING" on line 4
Strike: "A PORTION"
Insert: "PORTIONS"

2. Title, line 5
Following: "ACCOUNT" on line 5
Insert: ", THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM STATE SPECIAL REVENUE ACCOUNT, AND THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM STATE SPECIAL REVENUE ACCOUNT;"

3. Title, line 6.
Following: "15-37-117" on line 6
Insert: ", 85-1-604,"
Strike "AND"
Following: "85-2-905" on line 6
Insert: "AND 90-2-1104,"
Following: "MCA" on line 6
Insert: "; AND PROVIDING AN EFFECTIVE DATE."

4. Page 1, line 17.
Strike: "13.3%"
Insert: "7.2%"

5. Page 1
Following: line 19
Insert: "(e) to the renewable resource grant and loan program state special revenue account established in 85-1-104, 1.5% of the total collections each year;

(f) to the reclamation and development grants program state special revenue account established in 90-1-1102, 4.6% of the total collections each year;
Renumber: subsequent subsections.

6. Page 2, lines 7 and 10.
Strike: "(1)(e)"
Insert: "(1)(g)"

7. Page 2.
Following: line 12
Insert: **Section 2.** Section 85-1-604, MCA, is amended to read:

"**85-1-604. Renewable resource grant and loan program state special revenue account created -- revenues allocated -- limitations on appropriations from account.** (1) There is created a renewable resource grant and loan program state special revenue account within the state special revenue fund established in 17-2-102.

(2) Except to the extent that they are required to be credited to the renewable resource loan debt service fund pursuant to 85-1-603, there must be paid into the renewable resource grant

and loan program state special revenue account:

(a) all revenues of the works and other money as provided in 85-1-332;

(b) ~~38% of~~ the interest income of the resource indemnity trust fund as provided in and subject to the conditions of 15-38-202;

(c) the excess of the coal severance tax proceeds allocated by 85-1-603 to the renewable resource loan debt service fund above debt service requirements as provided in and subject to the conditions of 85-1-619;

(d) any fees or charges collected by the department pursuant to 85-1-616 for the servicing of loans, including arrangements for obtaining security interests; ~~and~~

(e) the metal mine tax proceeds allocated by 15-37-117; and

~~(e)~~ (f) ~~20% of~~ the resource indemnity tax proceeds allocated by 15-38-202.

(3) Appropriations may be made from the renewable resource grant and loan program state special revenue account for the following purposes and subject to the following conditions:

(a) The amount of resource indemnity trust fund interest earnings allocated under 15-38-202(2)(b) must be used for renewable resource grants.

(b) An amount less than or equal to that paid into the account under 85-1-332 and only that amount may be appropriated for the operation and maintenance of state-owned projects and works. If the amount of money available for appropriation under this subsection (b) is greater than that necessary for operation and maintenance expenses, the excess may be appropriated as provided in subsection (3)(c).

(c) An amount less than or equal to that paid into the account from the resource indemnity trust account plus any excess from subsection (3)(b) and only that amount may be appropriated from the account for expenditures that meet the policies and objectives of the renewable resource grant and loan program. If the amount of money available for appropriation under this subsection (c) is greater than that necessary for operation and maintenance expenses, the excess may be appropriated as provided in subsection (3)(d).

(d) An amount less than or equal to that paid into the account from the sources provided for in subsections (2)(c) and (2)(d) and any excess from subsection (3)(c) and only that amount may be appropriated from the account for loans and grants for renewable resource projects; for purchase of liens and operation of property as provided in 85-1-615; for administrative expenses, including but not limited to the salaries and expenses of personnel, equipment, and office space; for the servicing of loans, including arrangements for obtaining security interests; and for other necessities incurred in administering the loans and grants."

Renumber: subsequent sections.

8. Page 3.
Following: line 5.
Insert: "**Section 4.** Section 90-2-1104, MCA, is amended to read:

"**90-2-1104. Reclamation and development grants account.** (1)

EXHIBIT NO. 2
DATE 1-9-95
BILL NO. SB-46

There is a reclamation and development grants special revenue account within the state special revenue fund established in 17-2-102.

(2) There must be paid into the reclamation and development grants account money allocated from:

(a) the interest income of the resource indemnity trust fund under the provisions of 15-38-202; ~~and~~

(b) the metal mine tax proceeds allocated by 15-37-117; and

~~(b)~~ (c) the resource indemnity trust tax under the provisions of 15-38-106.

(3) Appropriations may be made from the reclamation and development grants account for the following purposes:

(a) grants for designated projects; and

(b) administrative expenses, including the salaries and expenses of personnel, equipment, office space, and other expenses necessarily incurred in the administration of the grants program. These expenses may be funded prior to funding of projects."

NEW SECTION. **Section 5 {standard} Effective date.** [This act] is effective on July 1, 1995."

MINUTES

MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON NATURAL RESOURCES

Call to Order: By **CHAIRMAN LORENTS GROSFIELD**, on January 13, 1995, at 2:00 pm

ROLL CALL

Members Present:
Sen. Lorents Grosfield, Chairman (R)
Sen. Larry J. Tveit, Vice Chairman (R)
Sen. Mack Cole (R)
Sen. William S. Crismore (R)
Sen. Mike Foster (R)
Sen. Thomas F. Keating (R)
Sen. Ken Miller (R)
Sen. Vivian M. Brooke (D)
Sen. B.F. "Chris" Christiaens (D)
Sen. Jeff Weldon (D)

Members Excused: **SEN. BILL WILSON**

Members Absent: None

Staff Present: Todd Everts, Environmental Quality Council
Theda Rossberg, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB 71
Executive Action: SB 46, SB 71

{Tape: 1; Side: A}

HEARING ON SB 71

Opening Statement by Sponsor:

SEN. BARRY "SPOOK" STANG, SENATE DISTRICT NO. 36, said SB 71 would limit the time that claims must be filed to be eligible for reimbursement due to leakage of underground storage tanks, and to include a representative of the petroleum release remediation consultant industry on the Board. He said the underground storage tank clean up program was started about 6 years ago to

EXECUTIVE ACTION ON SB 46

Motion: **SEN. KEATING MOVED SB 46 DO PASS.**

Discussion: **CHAIRMAN GROSFIELD** said there was an amendment to SB 46 requested by **SEN. SWYSGOOD** providing an effective date, **EXHIBIT 2.**

Motion: **SEN. FOSTER MOVED TO ADOPT THE AMENDMENT AS CONTAINED IN EXHIBIT 2.**

Discussion: **CHAIRMAN GROSFIELD** asked **SEN. SWYSGOOD** to explain the amendment. **SEN. SWYSGOOD** responded that the amendment asks for a retroactive applicability because it is necessary to collect funds that were deposited as of December 31, 1994.

Todd Everts, Environmental Quality Council Staff, said the Department of Revenue receives the tax revenues some time in March and it couldn't be guaranteed that SB 46 would pass before that date. The retroactive applicability was to be sure those funds could be used by the Bureau of Mines.

Vote: Motion to adopt the amendment as per **EXHIBIT 2 CARRIED UNANIMOUSLY.**

Discussion: **CHAIRMAN GROSFIELD** said another amendment was proposed by the department to interject another related issue into SB 46 and suggested another bill draft may be appropriate. **SEN. SWYSGOOD** agreed and said he would prefer not to put the amendment in SB 46.

Motion: **SEN. KEATING MOVED TO ADOPT SB 46 AS AMENDED.**

Vote: Motion to adopt SB 46 as amended **CARRIED UNANIMOUSLY.**

Discussion: **CHAIRMAN GROSFIELD** asked the committee members If they wished to take action on SB 71.

SEN. WELDON asked **Ms. Riley** what the cost would be with the immediate effective date as proposed in the amendment. He asked if it would save money if the immediate effective date was associated with each section.

Mr. Everts said there could be different effective dates for different sections of the bill. As to the cost he deferred the question to **Ms. Riley.**

Ms. Riley replied the immediate effective date applied only to the retroactive funds. The funds coming in now are not over two years old, so should not be affected in the future.

CHAIRMAN GROSFIELD said to **SEN. WELDON** it was his understanding that the code commissioner has to track effective dates and as bills are passed with different effective dates they go into different tracking systems. **SEN. WELDON** said tracking costs

probably wouldn't make any difference as the bill will require separate tracking for part of it anyway.

Motion/Vote: **SEN. WELDON MOVED SB 71 DO PASS.** Motion **CARRIED UNANIMOUSLY.**

ADJOURNMENT

Adjournment: 2:30 PM

LORENTS GROSFIELD, CHAIRMAN

THEDA ROSSBERG, SECRETARY

LG/tr

MONTANA SENATE
1995 LEGISLATURE
NATURAL RESOURCES COMMITTEE

ROLL CALL DATE 1-13-95

SEN

NAME	PRESENT	ABSENT	EXCUSED
VIVIAN BROOKE	✓		
B.F. "CHRIS" CHRISTIAENS	✓		
MACK COLE	✓		
WILLIAM CRISMORE	✓		
MIKE FOSTER	✓		
TOM KEATING	✓		
KEN MILLER	✓		
JEFF WELDON	✓		✓
BILL WILSON		✓	✓
LARRY TVEIT, VICE CHAIRMAN	✓		
LORENTS GROSFIELD, CHAIRMAN	✓		

SEN:1995
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SENATE STANDING COMMITTEE REPORT

January 13, 1995

MR. PRESIDENT:

We, your committee on Natural Resources having had under consideration SB46 (first reading copy -- white), respectfully report that SB46 be amended as follows and as so amended do pass.

Signed: _____
Senator Lorents Grosfield, Chair

That such amendments read:

1. Title, line 5.
Strike: "AND"

2. Title, line 6.
Following: "MCA"
Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE "

3. Page 3, Following line 5.
Insert: " NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to all metaliferous mine taxes collected after December 31, 1994.

NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval."

-END-

Amd. Coord.
Sec. of Senate

HOUSE NATURAL RESOURCES

BILL NO.	REFERRED - HEARING - OTHER CONSIDERATION DATES - EXECUTIVE ACTION/DATE/VOTE ------- REREFERRED ---- DATE READ							
HJ0001	WENNEMAR, KENNETH 2/13		REDEFINE PIPELINES SUBJECT TO MMFSA CANCELLED			VOTE:		
HJ0010	KNOX, DICK 1/17	1/23	INTERIM STUDY OF NATURAL RESOURCE COMPLIANCE AND ENFORCEMENT PROGRAMS	PASS AS AMENDED	2-1	VOTE: 17-1		2/02
HJ0022	TASH, BILL 2/11	2/15	JR URGING DHES TO ADOPT AN AIR QUALITY RULE FOR MINOR CHANGES IN PERMITS	PASS AS AMENDED	2/17	VOTE: 15-3		2/17
HJ0024	HARPER, HAL 2/14	2/15	STREAMSIDE CORRIDOR PROTECTION -- CONSENSUS GROUP	PASS AS AMENDED	2/15	VOTE: 15-3		2/17
HJ0025	QUILICI, JOE 2/16	2/17	SUPPORT TECHNOLOGY FOR MINE WASTE IN BUTTE	DO PASS	2/17	VOTE: 18-0		2/17
HJ0029	OHS, KARL 3/17	3/22	STATE LANDS INTERIM STUDY CANCELLED			VOTE:		
SB0046	SWYSGOOD, CHUCK 1/20	1/27	GROUND WATER ASSESSMENT AND MONITORING PROGRAM FUNDING	CONCUR	1/27	VOTE: 17-0		1/30
SB0048	KEATING, TOM 1/27	2/08	AN ACT AMENDING CERTAIN PROVISIONS OF THE MONTANA CLEAN AIR ACT	CONCUR	2/10	VOTE: 15-3		2/13
SB0071	STANG, BARRY 1/23	1/27	REVISING THE PETROLEUM TANK RELEASE CLEAN UP LAWS	CONCUR AS AMENDED	1/27	VOTE: 17-0		1/30
SB0078	GROSFIELD, LORENTS 2/06	3/03	WATER QUALITY PERMIT ENFORCEMENT, FEE, AND BONDING REVISIONS	CONCUR AS AMENDED	3/6	VOTE: 17-0		3/07
SB0122	TOEWS, DARYL 2/06	3/06	REVISE PROCESS OF GRANTING RIGHT-OF-WAY EASEMENTS ON STATE LANDS	CONCUR AS AMENDED	3/6	VOTE: 17-0		3/07
SB0147	HERTEL, JOHN 2/15	3/03	STATE WATER PROJECT LAW REVISIONS	CONCUR AS AMENDED	3/8	VOTE: 17-1		3/09

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON NATURAL RESOURCES

Call to Order: By Rep. Dick Knox, on January 27, 1995, at 3:00 PM.

ROLL CALL

Members Present:

Rep. Dick Knox, Chairman (R)
Rep. Bill Tash, Vice Chairman (Majority) (R)
Rep. Aubyn A. Curtiss (R)
Rep. Jon Ellingson (D)
Rep. David Ewer (D)
Rep. Daniel C. Fuchs (R)
Rep. Hal Harper (D)
Rep. Karl Ohs (R)
Rep. Scott J. Orr (R)
Rep. Paul Sliter (R)
Rep. Robert R. Story, Jr. (R)
Rep. Jay Stovall (R)
Rep. Emily Swanson (D)
Rep. Lila V. Taylor (R)
Rep. Cliff Trexler (R)
Rep. Carley Tuss (D)
Rep. Douglas T. Wagner (R)

Members Excused: None

Members Absent: Rep. Bob Raney

Staff Present: Michael Kakuk, Environmental Quality Council
Alyce Rice, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB 46, SB 71
Executive Action: SB 46 Be Concurred In
SB 71 Be Concurred In As Amended

HEARING ON SB 46

Opening Statement by Sponsor: **SENATOR CHUCK SWYSGOOD, Senate District 17, Dillon,** said SB 46 diverts 2.2 % of the metalliferous mines license tax to the ground water assessment account as was intended by SB 94 last Legislative Session.

Proponents' Testimony: **Jim Stimson, Chairman, Groundwater Assessment Steering Committee,** said in 1991 the Groundwater Assessment Act was passed. It established the Groundwater Monitoring Program and the Groundwater Aquifer Assessment Program. The monitoring program which monitors water levels across the state is establishing a network of approximately 730 wells which will be monitored quarterly. Some of the wells have continuous recorders. Under the aquifer assessment program twenty-one basins will be studied in detail to learn where the groundwater comes from and to identify aquifers that are not being utilized at the present time.

Mike Murphy, Montana Water Resources Association, supported SB 46.

Jim Jensen, Executive Director, Montana Environmental Information Center, supported SB 46.

REP. HAL HARPER, House District 52, Helena, Chairman, Water Policy Committee, supported SB 46.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses: **REP. EMILY SWANSON** asked **Dennis McKenna, Montana Bureau of Mines,** what resource indemnity tax expenditures (RIT) will be gained by the bill. **Mr. McKenna** said the $130,000 which is 2.2 % of the mines tax will go directly into the RIT trust.

Closing by Sponsor: **SENATOR SWYSGOOD** closed.

EXECUTIVE ACTION ON SB 46

Motion/Vote: **REP. BILL TASH MOVED SB 46 BE CONCURRED IN.** Voice vote was taken. **Motion carried unanimously.**

HEARING ON SB 71

Opening Statement by Sponsor: **SENATOR BARRY STANG, Senate District 36, St. Regis,** said SB 71 adds a representative of the petroleum release remediation consultant industry to the Petroleum Tank Release Compensation Board and limits the time in which claims for reimbursement can be filed to be considered eligible for reimbursement from the petroleum tank cleanup fund.

Proponents' Testimony: **Jean Riley, Executive Director, Petroleum Tank Release Compensation Board.** Written testimony. **EXHIBIT 1**

HOUSE OF REPRESENTATIVES

Natural Resources

ROLL CALL DATE 1-27-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Dick Knox, Chairman	✓		
Rep. Bill Tash, Vice Chairman, Majority	✓		
Rep. Bob Raney, Vice Chairman, Minority		✓	
Rep. Aubyn Curtiss	✓		
Rep. Jon Ellingson	✓		
Rep. David Ewer	✓		
Rep. Daniel Fuchs	✓		
Rep. Hal Harper	✓		
Rep. Karl Ohs	✓		
Rep. Scott Orr	✓		✓
Rep. Paul Sliter	✓		
Rep. Robert Story	✓		
Rep. Jay Stovall	✓		
Rep. Emily Swanson	✓		
Rep. Lila Taylor	✓		
Rep. Cliff Trexler	✓		
Rep. Carley Tuss	✓		
Rep. Doug Wagner			

HOUSE STANDING COMMITTEE REPORT

January 30, 1995

Mr. Speaker: We, the committee on **Natural Resources** report that **Senate Bill 46** (third reading copy -- blue) **be concurred in**.

Signed: Dick Knox
Dick Knox, Chair

Carried by: Rep. Story

11/30

Committee Vote:
Yes 17, No 0.

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HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Natural Resources COMMITTEE BILL NO. SB 46

DATE 1-27-95 SPONSOR(S) Senator Swysgood

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Jon Sesso	GW assessment Steering Committee			X
Marvin Miller.	MT. Bur. of Mines & Geology	SB 46		X
Tom Patt	MT Bur of Mines	SB46		X
Dennis McKenna	MT Bureau of Mines	SB46		X
MIKE MURPHY	MT. WATER RES. ASSN	SB46		X
~~Timothy A Olson~~	~~Mt. Dept of Transportation~~	~~SB46~~		~~X~~
Jim Jensen	MBTC			X
Maureen Cleary-Schwindt	WIFE			X

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.